AMENDMENTS TO THE SPECIFICATION

In the specification, at page 16, lines 12-27, please delete the existing paragraph and replace with the following paragraph after implementing the following changes:

Preferably A2 comprises a nucleophile (*eg.* thiol or hydroxyl) that reacts rapidly with a *C*-terminus to form an initial large ring, which then contracts either spontaneously, or upon heating or additional chemical treatment (*eg.* addition of metal ions). A2 may be an irreversible substituent, may be removed after ring contraction, or may eliminate spontaneously, upon ring contraction. A2 also provides access to an additional site for substitution to increase library diversity. A2 may also be any of the compounds of General Formula I described in our co-pending U.S. Application Serial No. 09/787,840, filed July 06, 2001, which is a nationalization of PCT application No. PCT/AU99/00812, corresponding to Australian provisional patent application No. PP6165 filed on 25 September 1998, the same day as ~~this~~ the Australian priority application for the present application, entitled "Auxiliaries for Amide Bond Formation". Specific examples of these auxiliaries are exemplified herein.

In the specification, at page 25, after line 12, please insert the following paragraph:

Cat is 3-carboxy-4-aminothiophene, which is alternatively known as Act (3-amino-4-carboxythiophene).

In the specification, from page 39, line 21 to page 40, line 3, please delete the existing paragraph and replace with the following paragraph after implementing the following changes:

The 5-nitro-2-hydroxybenzyl auxiliary used in this and other examples was as described in our co-pending U.S. Application Serial No. 09/787,840, filed July 06, 2001, which is a nationalization of PCT application No. PCT/AU99/00812, corresponding to Australian provisional application No. PP6165 filed on 25th September ~~1999~~ 1998. The peptide **1a**, containing the 5-nitro-2-hydroxybenzyl substituent, was synthesised and cyclised under standard conditions, yielding two monocyclic products as well as significant amounts of a side product **3a** (Mr, 812 Da), caused by reaction of the phenol functionality with excess BOP in the reaction mixture (Scheme 7, A). By adjusting the amount of activating reagent and base, formation of this side product was completely avoided. The reaction conditions were further optimised by altering the temperature and amount of base after an initial cyclisation period, and monitoring the formation of monocyclic products by LC/MS analysis. The best results were obtained when after 3h of reaction (1mM in DMF, 1eq BOP, 2eq DIEA, rt) excess DIEA (10eq) was added and the mixture left standing for 24 h or heated to 65°C for 1 hour.

In the specification, at page 65, after line 26, please insert the following paragraph:

Cat is 3-carboxy-4-aminothiophene, which is alternatively known as Act (3-amino-4-carboxythiophene). Amb is 3-aminobenzoic acid.